

SENATE BILL REPORT

SB 5453

As of January 31, 2007

Title: An act relating to registration of contractors.

Brief Description: Revising provisions for registration of contractors.

Sponsors: Senators Morton, Clements and Stevens.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 1/30/07.

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Staff: Jennifer Strus (786-7316)

Background: Contractors must be registered with the Department of Labor and Industries (L&I) To become registered, an applicant must submit an application under oath and provide specific information to L&I. Every applicant for registration must file with L&I a surety bond in the amount of \$12,000 if the applicant is a general contractor, or \$6,000 if the applicant is a specialty contractor. The applicant must also file with L&I proof of insurance.

It is a misdemeanor and an infraction for a contractor to advertise, offer to do work, bid or perform any work as a contractor without being registered, or while his or her registration is suspended, or to use a false or expired registration number.

L&I can suspend a contractor's registration if it has notice that the contractor is a sole proprietor or principal or officer of a registered contractor against whom there are unsatisfied final judgments for construction work or that the contractor has not maintained a valid unified business identifier number.

L&I may triple the bond amount for any contractor who has filed against him or her six final judgments in five years involving residential single-family dwellings on two or more structures.

Summary of Bill: It is a misdemeanor and an infraction for a contractor to subcontract to or employ an unregistered contractor. It is not an infraction for a general contractor to employ an unregistered contractor who was registered at the time he or she entered the general contractor's employment unless the general contractor or his or her representative has been notified in writing by L&I that the contractor has become unregistered.

L&I must suspend a registration if L&I has notice that the registrant has an unsatisfied final judgment against him or her for construction work.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

L&I may triple the bond amount for any contractor who has filed against him or her three final judgments in five years involving residential single-family dwellings on two or more structures.

Appropriation: None.

Fiscal Note: Requested on January 25, 2007.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is designed to try to deal with some of the unscrupulous contractors who have taken advantage of consumers. It is also an attempt to cut down on the number of unregistered contractors. This legislation should be incorporated into some of the other contractor registration legislation that the committee has heard this session so there is just one bill dealing with the same topic.

CONCERNS: The general contractor should be provided some time to "cure" the problem of having hired an unregistered contractor. The requirement in the bill that L&I notify the general contractor that he or she has hired an unregistered contractor presents a burden for the L&I compliance officers. There could be situations in which L&I would provide notice of the unregistered contractor to the general contractor after the subcontractor has already left the job.

Persons Testifying: PRO: Senator Morton, prime sponsor; Amy Brackenbury, Building Industry Association of Washington; Gary Smith, Independent Business Association; Larry Stevens, Mechanical Contractors' Association & Electrical Contractors' Association.

CONCERNS: Michael Transue, AGC; Patrick Woods, L&I.